

**MINUTES OF THE
JOINT CAPITAL FACILITIES & GOVERNMENT OPERATIONS
APPROPRIATIONS SUBCOMMITTEE MEETING
THURSDAY, FEBRUARY 1, 2007, 2:00 P.M.
RoomW025, West Office Building, State Capitol Complex**

Members Present: Sen. Scott K. Jenkins, Committee Co-Chair
 Rep. D. Gregg Buxton, Committee Co-Chair
 Sen. Mike Dmitrich
 Sen. Sheldon Killpack
 Sen. Darin Peterson
 Rep. Ralph Becker
 Rep. DeMar “Bud” Bowman
 Rep. Stephen Clark
 Rep. Janice M. Fisher
 Rep. Fred R. Hunsaker
 Rep. Gordon Snow
 Rep. Mark Walker
 Rep. Richard Wheeler

Staff Present: Steve Allred, Fiscal Analyst
 Jonathan Ball, Technology Analyst
 Todd Wardrop, Fiscal Analyst
 Bonnie Brinton, Committee Secretary

Public Speakers Present: Gary Griffin, Managing Director, Utah Festival Opera Company
 Steve Fletcher, Executive Director, Department of Technology
 Services
 Dennis Gorham, Director, Automated Geographic Reference
 Center
 Keith Stepan, Executive Director, Division of Facilities
 Construction and Management
 Kent Beers, Assistant Director, Division of Facilities Construction
 and Management
 Rob Brems, President, Utah College of Applied Technology
 Clay Christensen, Campus President, Mountainland ATC

A list of visitors and a copy of handouts are filed with the Subcommittee minutes.

Co-Chair Buxton called the meeting to order at 2:25 p.m.

1. Requests for Appropriation

a. Remains Removal and Repatriation - Sen. Peterson

Sen. Peterson presented this request for \$100,000 ongoing funding to the Division of History to fund human remains removal and repatriation to speed up contractor work on private property. This request is associated with Senate Bill 204 sponsored by Sen. Peterson.

MOTION: Sen. Peterson moved to place the request for \$100,000 ongoing funding to the Division of History on the prioritization list.

The motion passed unanimously with Sen. Killpack absent for the vote.

b. Utah Festival Opera - Rep. Hunsaker

Rep. Hunsaker presented the request for \$1,000,000 in one-time funding to the Utah Festival Opera to renovate the Utah Festival Opera's historic Utah Theater in Logan. The total cost will be \$2.5 million. The difference will be made up in donated funds.

Gary Griffin, Managing Director, Utah Festival Opera Company, distributed a handout and urged support for the funding.

Subcommittee members received a letter from United States Sen. Orrin G. Hatch requesting consideration of the funding for this project.

MOTION: Co-Chair Buxton moved to place the request for \$1,000,000 in one-time funding to the Utah Festival Opera on the prioritization list.

The motion passed unanimously with Sen. Killpack absent for the vote.

The Fiscal Analyst, Steve Allred, presented information on additional intent language for the consideration of the Subcommittee.

a. DFCM Internal Service Fund

Mr. Allred explained that this internal service fund has received inquiries from the College of Eastern Utah and the State Developmental Center to take over their maintenance operations. CEU currently has some custodial staff and two maintenance FTEs. What is being done now is mostly with contractors and service companies. At this moment not enough is known to be able to predict how many FTE would be needed by DFCM, but it may be 10-12 FTEs.

Further, the State Development Center currently has 19 maintenance FTEs. If DFCM takes the operations, their intent is to reduce that number to 12-14. CEU and the State Developmental Center combined are approximately 1.2 million square feet.

Analyst Allred recommends amending already-approved intent language as follows:

It is the intent of the Legislature that DFCM's internal service fund may add up to ~~three~~ twenty-five FTEs and up to ~~two~~ five vehicles beyond the authorized level if new facilities come on line or maintenance agreements are requested. Any added FTEs or vehicles will be reviewed and may be approved by the Legislature in the next legislative session.

MOTION: Rep. S. Clark moved to accept the Fiscal Analyst's recommended intent language.

The motion passed unanimously.

Mr. Allred also recommends the following intent language to allow the transfer of capital assets from the Department of Natural Resources' motor pool internal service fund to the Division of Fleet Operations' motor pool internal service fund:

It is the intent of the Legislature that the Division of Fleet Operations internal service fund may acquire motor pool capital assets formerly in the Department of Natural Resources' motor pool internal service fund as necessary to facilitate consolidation.

MOTION: Rep. Hunsaker moved to accept the Fiscal Analyst's recommended intent language.

The motion passed unanimously.

Jonathan Ball, Technology Analyst, presented information regarding the Department of Technology Services. He stated that DTS has requested nonlapsing intent language allowing it to carry forward unspent appropriations from FY 2007 to FY 2008. DTS has also adjusted one of its rates upward in FY 2007 and seeks approval from the Legislature for that rate increase. The Analyst agrees with DTS' requests.

Mr. Ball explained that the requested carry-forward funds in the CIO's office will be used for consulting costs associated with continued efforts to streamline and optimize DTS operations.

The Technology Analyst recommends the following intent language for inclusion in an FY 2007 supplemental bill:

The Legislature intends that funds provided for the Department of Technology Services - Chief Information Officer in Item 50 of State Agency and Higher Education Base Budget Appropriations (S.B. 1, 2006 General Session), Item 48 of New Fiscal Year Supplemental Appropriations Act (S.B. 4, 2006 General Session), and Item 33 of State Agency and Higher

*Education Compensation Amendments (H.B. 4, 2006 General Session)
shall not lapse at the close of FY 2007.*

MOTION: Rep. Bowman moved to approve the Technology Analyst's recommended intent language.

The motion passed unanimously.

Further, Mr. Ball stated that DTS projects that it will carry into FY 2008 will include \$1.4 million related to the Arches tax system modernization project. Carry-forward amounts will be combined with requested FY 2008 appropriations to fund phase II of the system. The Technology Analyst recommends the following intent language to authorize nonlapsing funds:

Under Section 63-38-8.1 of the Utah Code the Legislature intends that Item 43 of Appropriation Adjustments (H.B. 4, 2006 General Session) not lapse at the close of Fiscal Year 2007. The use of any nonlapsing funds is limited to the Arches Tax System Modernization project.

MOTION: Rep. Wheeler moved to accept the Technology Analyst recommended intent language.

The motion passed unanimously.

Regarding FY 2007 rate adjustments, Mr. Ball explained that DTS' enabling legislation (H.B. 109, 2005 General Session) allowed the agency to set interim rates for FY 2007 without legislative approval. Under the Budgetary Procedures Act, once those rates are set, DTS cannot raise them without legislative action. DTS has proposed increasing the Wide Area Network (WAN) rate by \$3 per port per month to cover improved WAN security. The Analyst recommends approving the following for inclusion in an FY 2007 supplemental bill:

In accordance with UCA 63-38-3.5, the following increased rate is approved for the Department of Technology Services in FY 2007: Wide Area Network Access - \$40.50 per device per month.

Steve Fletcher, Executive Director, Department of Technology Services, responded to questions. He stated that the rate increase would be \$820,000 a year. However, the overall impact is a reduction in rates.

MOTION: Co-Chair Jenkins moved to accept the Technology Analyst's recommended intent language.

The motion passed unanimously.

Mr. Ball referred the Subcommittee to two letters. The first one was to the Economic Development and Revenue Appropriations Subcommittee stating that this Subcommittee discussed the Arches tax system modernization project and the Department of Community and Culture's digitization initiative and favorably refers both projects for further consideration and prioritization. The second letter was to the Commerce and Workforce services Appropriations Subcommittee stating that this Subcommittee discussed the Electronic Resource Eligibility Product and the Department of Commerce's digitization initiative and favorably refers both projects for further consideration and prioritization.

Analyst Ball presented a request from Rep. Mel Brown in the amount of \$400,000 one-time funding for an AGRC Rural Government GIS Program. The funding would be to assist rural counties with GIS implementation for continuation of survey and parcel and boundary data acquisition.

Dennis Gorham, Director, AGRC, responded to questions.

MOTION: Rep. Wheeler moved to place the request for \$400,000 in one-time funding for the AGRC Rural Government GIS Program on the prioritization list.

The motion passed unanimously with Sen. Peterson and Rep. Fisher absent for the vote.

Co-Chair Buxton explained a request from Sen. Greiner for \$14.5 million to complete the Veterans Nursing Home. The State has funded this project with a \$4.5 million bond which was to be matched by the federal government. Since the federal government has not produced the funding needed, the request is for the full amount of the building with the anticipation that the State can be paid back when the federal funding is forthcoming.

MOTION: Rep. S. Clark moved to place the request for \$14.5 million to complete the Veterans Nursing Home on the prioritization list.

The motion passed unanimously with Sen. Peterson absent for the vote.

Regarding budget changes and reallocations in the Operating Budget, Mr. Allred reviewed available revenue for reallocation, and recommendations for the Department of Administrative Services, the Capitol Preservation Board and the Department of Technology Services. With reference to the budget changes and reallocations in the Capital Budget, Mr. Allred reviewed available revenue for reallocation, and recommended possible uses of that revenue. This information is included as an attachment to these minutes.

MOTION: Rep. Bowman moved to accept the Analyst's recommendation.

Keith Stepan, Executive Director, and Kent Beers, Director, Capital Budget, Department of Facilities Construction and Maintenance, responded to questions.

SUBSTITUTE MOTION: Rep. S. Clark moved to accept the Analyst's recommendation

with two changes: reduce funding to move Homeland Security to POST Building by \$400,000 and reallocate this \$400,000 to AGRC Local Government Surveying and Mapping.

The motion passed with Co-Chair Jenkins and Rep. Fisher voting against the motion.

2. Agency Budgets Final Actions and Prioritization

MOTION: Rep. Hunsaker moved to place on the priority list two items: DTS Statewide Radio Interoperability for \$650,000 ongoing funding and the Division of History request for \$100,000 ongoing funding of human remains removal and repatriation.

The motion passed unanimously.

MOTION: Co-Chair Jenkins moved to accept the Analyst's recommendation to prioritize one-time items which will not be funded within Subcommittee allocation with one change, that the LeRay McAllister Fund be moved to #6 on the list.

SUBSTITUTE MOTION: Rep. S. Clark moved to accept the Analyst's recommendation to prioritize one-time items which will not be funded within Subcommittee allocation leaving the LeRay McAllister fund at #2.

The substitute motion failed with Sen. Killpack and Reps. Becker, S. Clark and Hunsaker voting in favor of the motion.

The motion passed unanimously.

This information is included as an attachment to these minutes.

3. Capital Budget Final Actions and Prioritizations

MOTION: Co-Chair Jenkins moved to prioritize projects as displayed on the working list, following Building Board recommendations, with the exception of listing the CEU Dormitory Mortgage Payoff of \$3,000,000 as #1 then continuing down the list of Building Board recommendations.

SUBSTITUTE MOTION: Rep. Hunsaker moved to approve the Building Board recommendations with the exception of listing CEU funding of \$3,154,500 and moving Utah State University Agricultural Science Building to #8 with \$3,000,000 for design money.

The substitute motion failed with Rep. S. Clark and Hunsaker voting in favor of the motion.

The motion passed unanimously.

This information is included as an attachment to these minutes.

Rob Brems, President, Utah College of Applied Technology, and Clay Christensen, Campus President, Mountainland ATC, responded to questions.

4. Other Subcommittee Business Necessary to Finalize Actions

Kent Beers presented a request to the Subcommittee to authorize the use of \$2.3 million of Capital Improvement money to fund two projects for the Department of Wildlife Resources/Springville Fish Hatchery: \$1.5 million for Water Filtration Whirling Disease Treatment and \$750,000 for UV Water Whirling Disease Treatment. Mr. Beers stated that the two projects are separate requests.

Jim Karpowicz, Director, Division of Wildlife Resources (DWR), Department of Natural Resources, responded to questions.

MOTION: Co-Chair Jenkins moved to grant authority to DFCM and the DWR to use funding from Capital Improvement money to fund two projects at the Springville Fish Hatchery. The funding would be \$1.5 million for Water Filtration Whirling Disease Treatment and \$750,000 for UV Water Whirling Disease Treatment.

The motion passed unanimously with Sen. Killpack and Rep. Wheeler absent for the vote.

MOTION: Rep. S. Clark moved to adjourn.

The meeting was adjourned at 4:00 p.m. by Co-Chair Buxton.

The minutes were reported by Bonnie Brinton.

Sen. Scott K. Jenkins
Committee Co-Chair

Rep. David G. Buxton
Committee Co-Chair

Capital Development - CFGO Subcommittee Priority List

<u>Ctte</u>	<u>BB</u>	<u>BOR</u>	<u>UCAT</u>	<u>Agency/Institution</u>	<u>Description</u>	<u>Requested State Funds</u>	<u>Cumulative State Funds</u>	<u>Projected Other Funds</u>	<u>Total Cost</u>
1	*			Capitol Preserv Bd	Capitol Building/Parking	\$50,000,000	\$50,000,000		\$50,000,000
2	*	*		CEU	Dormitory Mortgage Payoff	3,000,000	53,000,000		3,000,000
3	1			Health	Unified Lab & Replacemnt	30,852,000	83,852,000		30,852,000
4	2			DPS/Tax Cmn	Joint Driver Lic/DMV Bldg	5,342,000	89,194,000		5,342,000
5	3		2	UCAT DATC	Technology/Manuf Bldg	14,240,000	103,434,000	760,000	15,000,000
6	4	1		WSU	Classroom Bldg/Chiller	22,950,000	126,384,000	6,000,000	28,950,000
7	5	T4		Snow	Library/Classroom Bldg	17,651,000	144,035,000	3,300,000	20,951,000
8	6		1	UCAT MATC	N. Utah County Bldg	14,855,000	158,890,000		14,855,000
9	7			Courts	St. George Courthouse	29,000,000	187,890,000		29,000,000
10	8		1L	UCAT DXATC	Land Purchase 19.25 acres	5,450,000	193,340,000		5,450,000
11	9			Board of Education	Schools for Deaf & Blind	15,378,000	208,718,000	450,000	15,828,000
12	10	2		U of U	Nursing Bldg Renov/Addn	13,775,000	222,493,000	9,000,000	22,775,000
13	11		3	UCAT OWATC	Health Technology Bldg	18,613,000	241,106,000		18,613,000
14	12	T4		SLCC	South Campus Building	49,679,000	290,785,000	12,200,000	61,879,000
15	13	3		USU	Ag Science Bldg	41,110,000	331,895,000	42,000,000	83,110,000
16	14			Multi-Agency	Salt Lake Govt Office Bldg	38,500,000	370,395,000		38,500,000
17	15	5		UVSC	Science/Health Bldg Addn	47,645,000	418,040,000		47,645,000
18	16			Wildlife Resources	Springville Hatchery Renov	4,476,000	422,516,000		4,476,000
19	17		2L	UCAT SWATC	Land Purchase 11.4 acres	2,282,000	424,798,000		2,282,000
20	18			Parks and Rec	3 Campground Replace	12,500,000	437,298,000	150,000	12,650,000
21	19	6		SUU	Science Center Addition	20,727,000	458,025,000		20,727,000
22	20			Multi-Agency	Richfield Regional Ctr	15,197,000	473,222,000		15,197,000
23	21	7		DSC	Centennial Commons	71,050,000	544,272,000		71,050,000
24	22			Human Services	Weber Valley Detention Ctr	11,479,000	555,751,000		11,479,000
25	23			Courts	Ogden Property Purchase	2,000,000	557,751,000		2,000,000
26	24			Human Services	State Hosp Pediatric Ctr	23,077,000	580,828,000		23,077,000
27	25			UDOT/GOED	St. George Visitors Ctr	3,000,000	583,828,000		3,000,000
28	26			Fairpark	Multipurpose Building	20,000,000	603,828,000		20,000,000
29	*			Multi-Agency	Parking Lot (YWCA)	1,675,000	605,503,000		1,675,000

Joint Appropriations Subcommittee for Capital Facilities and Government Operations Prioritization of General/Education Fund Budget Changes - 2007 General Session

<u>Ongoing Items Not Funded within Subcommittee Allocation</u>					
Priority #	Item	Amount	Running Total	Sup (Y/N)	Subj. To Cap (Y/N)
1	Statewide Interoperable Radio	650,000	650,000		Y
2	SB 204 (Peterson) Archaeological Remains Removal	100,000	750,000		Y
3					
4					
5					
6					
7					
8					
9					
10					
Total		\$750,000	\$750,000		
<u>One-time</u>					
Priority #	Item	Amount	Running Total		
1	State Buildings Energy Efficiency Projects	1,500,000	1,500,000		Y
2	Capitol Preservation Board Visitors Services	240,000	1,740,000		Y
3	Capitol Preservation Board Public Open Houses	250,000	1,990,000		Y
4	Archives Regional Repository	200,000	2,190,000		Y
5	Utah Festival Opera Renovations	1,000,000	3,190,000		Y
6	LeRay McAllister Fund	2,000,000	5,190,000		Y
7	Veterans Nursing Home	14,500,000	19,690,000		N
8					
9					
10					
Total		\$19,690,000	\$19,690,000		
<u>Increases/(Re)</u>					
Item		Ongoing	One-time		
Finance	Retirement Office	(50,000)	(250,000)		
DHRM	Flex Benefits Program		(10,200)		
OSDC	Retained Earnings		(500,000)		

DTS	Rate Savings	(103,000)	(455,000)
Rules	Replace eRules Software		71,500Y
Archives	Electronic Record Growth		100,000
Archives	Public Access to Digitized Records	53,500	1,500
CPB	Public Information Officer	99,500	
Capital	Capitol Wireless Communications Part II		742,200
DTS	GPS Base Station Network		300,000
DTS	AGRC Local Gov't Surveying and Mapping		400,000
Capital	Contingency Reserve Fund		(2,000,000)
Capital	Devereaux House Sale		(900,000)
Capital	Asbestos Mitigation Fund		(333,000)
Capital	Southwest ATC Land Purchase		2,282,000
Capital	Move Homeland Security to POST Building		551,000
Total		\$0	\$0